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EDIC/M-4  
Control No.  
30 December 1954

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Minutes of 4th Meeting

10:00 - 11:30, 21 December 1954

PRESENT

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[REDACTED]  
Lt. Col. Brown, OSD  
Mr. Hamilton, AFOIN  
Miss Worthing, State/OIR  
Mrs. Young, State/EDS  
Miss Baldwin, FOA  
Mr. Reiss, Commerce

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[REDACTED]  
Mr. Tilson, FOA/MDAC

1. RECEIPT OF INFORMATION FROM MILITARY INTELLIGENCE AGENCIES

Discussion - At the 9 December meeting Commerce and MDAC Representatives were requested to inquire into the status of their agency requirements for intelligence from the military intelligence agencies. Mr. Tilson reported that to correct the deficiency indicated at the previous meeting, MDAC had submitted such requirements for economic defense intelligence with the three services. Mr. Reiss declared that there is satisfactory distribution of such information in Commerce and that arrangements have been made between the

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Investigation Staff and OSD for direct flow of enforcement intelligence. According to Mr. Reiss, however, JOC believes that technical information is of greater value than intelligence now being received in making determinations on the strategic ratings of specific commodities. An effort may be made by Commerce, therefore, to establish closer liaison with technical elements in the Department of Defense.

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██████████ and Miss Baldwin reported on conversations held with Commerce representatives which appeared to suggest the mutual advantage to EDIC and the Department of Commerce of having representation on EDIC from the research element of that department.

Action - The Executive Secretary was instructed to discuss such representation with Mr. Reiss and to prepare a summary statement on the distribution to action agencies of current economic defense intelligence, other than enforcement intelligence, as reviewed in recent EDIC meetings.

2. DISTRIBUTION OF CURRENT INTELLIGENCE THROUGH EDIC

Discussion - Members were requested at the previous meeting to comment on the usefulness and/or need for EDIC dissemination of information documents in the EDIC/ID series. It was the consensus of the members that the EDIC Secretariat provides a useful service in disseminating such information, although it was reported that most of

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the ONI information distributed through EDIC also reaches the action elements directly in raw form. Members also approved continued distribution by the EDIC Secretariat of enforcement intelligence to the Diversion Control Net. Mr. Tilson explained that such material is normally routed through the Executive Secretary with the cognizance and approval of CIA/CD.

In the same context, the Acting Chairman pointed out that the intelligence community is being called upon to expend an inordinate number of manhours in evaluating news reports (generally reprints from the public press) distributed by the EDAC Secretariat. He questioned the value of such EDAC disseminations and suggested that the Executive Secretary of EDAC be highly selective in their reproduction and distribution. Mr. Tilson defended this EDAC function as a method of insuring that material of current economic defense interest is speedily brought to the attention of appropriate Government levels.

Action - The Executive Secretary was instructed to indicate on each ONI information document issued in the future whether the content is releasable to foreign nationals.

25X1A9a [REDACTED] was asked to suggest to the EDAC Executive Secretary the addition of a caveat on each EDAC "information document" to the effect that such document was unevaluated. In addition, if the EDAC Secretariat considers the document of sufficient importance, the

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EDAC transmittal should incorporate a request for its evaluation by the intelligence community. The Acting Chairman agreed to convey the EDIC consensus on this discussion to the Executive Committee.

3. REPORT ON PENDING PAPERS AND PROJECTS

Discussion - EDIC/AM-3 of 21 December 1954, "Statement of EDIC Action on Current Requests," was distributed for information. This memorandum reports completion of EDIC action on two papers: (a) EDIC/ID-6, Transmittal of OIR Intelligence Report on "West European Exports of Copper Wire and Cable to the Soviet Bloc"; and, (b) EDIC/ID-9, Transmittal of CIA-AFOIN-OIR Statement on "Strategic Significance of Indium to the Soviet Bloc". It reports also that EDIC comments on OIR Report No. 6714, "Soviet Bloc Trade Trends and Tactics in Petroleum" have been forwarded to OIR. In this connection, Miss Worthing explained that no additional OIR work is anticipated on this paper, prepared in response to an MDAC request, since it had been approved in its present form by the requestor.

The Acting Chairman explained that when a request for a study such as the petroleum paper is laid on EDIC, responsibility for its production will be assigned to a specific member agency. Upon its completion the paper will be circulated for comment by EDIC members.

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Comments, if any, will be forwarded by the Executive Secretary to the producer. Differences of opinion will be reconciled by consultation among the requestor, producer and members offering comments. If additional work is considered unnecessary, the original paper (together with comments) will be forwarded to the requestor.

4. "INTELLIGENCE ON TRADE IN DECONTROLLED COMMODITIES"

Discussion - An IWG (now EDIC) subgroup on this subject was established in July 1954 to develop techniques to trace the movement of those strategic commodities which were decontrolled during the COCOM security list review. Subsequently it was agreed that JOC, rather than the EDIC subgroup, should prepare a list of those commodities the movement of which should be traced.

Mr. Tilson reported the preparation and distribution of JOC Document No. 54 Supplement 1 of 9 December 1954 - Check List of I/L Items Originally Recommended for Retention by U.S. but which COCOM Action Resulted in Partial or Complete Deletion. He stated that members of JOC have been requested to review this list and to notify the Executive Secretary of JOC of any deleted items which they feel should be subject to some I/L control or surveillance. It is anticipated that a short list of such selected items will be issued by JOC early in January. At that time appropriate action will be taken by EDIC to determine the most feasible method of tracing such movements and to survey capabilities of member agencies for

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5. OTHER INTELLIGENCE MATTERS

a) Intelligence Support for China List Review

The Acting Chairman declared that the intelligence community should make known to action and policy agencies the extent available to which intelligence can be made/to support the China list review. He pointed out that preconsultation between the intelligence and action elements could have avoided misunderstandings which arose in the earlier COCOM list review as to the presumed ability of intelligence to support rating negotiations. Members were cautioned that the intelligence community is not in a position to supply all the information required by the action and policy agencies and that items will be lost during negotiations if the burden of proof for retention is again left to intelligence.

Mr. Reiss pointed out the urgent need of Commerce and JOG to for intelligence/be used in the current review of items on the several China lists. He expressed the desire for immediate participation of CIA technicians in this review, indicating that the urgency of the situation does not allow for an extended survey as to what intelligence might be available within the intelligence community.

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In response, the Acting Chairman indicated that there is a limit to the capabilities of the intelligence community in this respect and that CIA lacks guidance from Commerce as to specific information required on each item and on the criteria being used for retention of items on the lists. He declared, however, that every effort would be made to maximize intelligence support to the China list review and there would be preconsultation among CIA and interested agencies to this end.

b) Downgrading of CG/COCOM/CHINCOM Documents

The Acting Chairman noted that TOPOL 812 on the subject of downgrading of these documents did not incorporate the consensus of the last EDIC meeting, namely, that the USDEL would be instructed "to take the position that Confidential information will be handled by COCOM in accordance with standards now in force for US Confidential material" (EDIC/M-3). He announced that CIA takes the position that CG/COCOM/CHINCOM documents incorporating any intelligence must retain a Secret classification.

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Executive Secretary

Distribution

Cat. B - (1-12)(M/P,M/NF)  
C - (1,2,4,6)  
D - (All)  
E - (1-3)

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